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UN’s Search For New Development Financing

FOREWORD BY BAN KI-MOON

Achieving the Millennium Development Goals and addressing global challenges such as climate change **require considerable financing.** Finding the necessary resources will

be challenging, especially for least developed countries. Official development assistance (ODA) is falling well short of what countries need, and **commitments to provide more aid remain unfulfilled.** In the midst of difficult financial times, many donor countries have cut back on development assistance. In 2011, aid flows **declined in real terms for the first time in many years.**

The need for **additional and more predictable development financing has led to a search for alternative, innovative sources.** A number of initiatives have been launched during the past decade, most of which have been used to fund global health programmes that have helped to provide immunizations and AIDS and tuberculosis treatments to millions of people in the developing world.

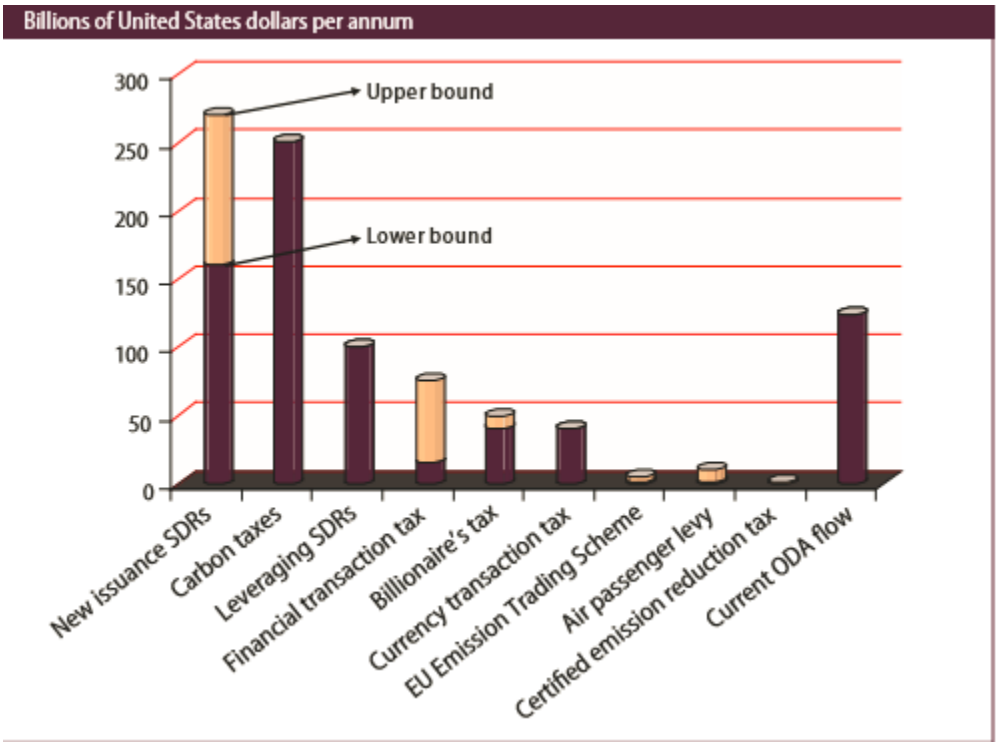
While these **initiatives have successfully used novel methods to channel development financing, they have not yielded much additional funding,** thus leaving available finance well short of what is needed. This is one reason why proposals to mobilize resources for development through sources beyond ODA, including innovative finance mechanisms, have generated renewed interest from both Governments and civil society.

This year's World Economic and Social **Survey shows that such proposals could raise hundreds of billions of dollars in additional finance.** If they are to become viable, however, strong international agreement is needed, along with **adequate governance mechanisms,** to manage the allocation of additional resources for development and global public goods.

World Economic and Social Survey 2012 is a valuable resource for **implementing the decisions reached at the United Nations Conference on Sustainable Development (Rio+20).** I commend it to all those seeking a solid financial underpinning for the post2015 development agenda

Okay, to sum this up: the UN needs "lots" of cash for its various agendas. Foreign aid is being cut for the first time in years, and commitments remain unfulfilled.

Innovative Sources Of Funding



Okay, what are these "revenue sources"?

- SDR (or special drawing rights), from IMF $150B-$270B
- Carbon taxes, $240B
- Leveraging SDR, $90B
- Financial transaction tax, $10B-70B
- Billionaire tax, $90B
- Currency trading tax, $30B
- EU emissions trading scheme, $5B
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- Air passenger levy, $10B
- Certified emission reduction tax, $2B

If these numbers are accurate, then the US is viewed as a cash cow somewhere to the tune of $627 billion to $807 billion. Yes, this only refers to revenue potential from the United States. I believe this is annually.

What does the report say about SDAs?

> These include taxes on financial and currency transactions and on greenhouse gas emissions, as well as the creation of new international liquidity through **issuance of special drawing rights (SDRs) by the International Monetary Fund IMF), to be allocated with a bias favouring developing countries or leveraged as development financing.** Though their potential may be high, these **proposals are subject to political controversy.** For instance, many countries are **not willing to support international forms of taxation, as these are said to undermine national sovereignty.**

No kidding. There is a lot of political opposition to taxes which are deemed to undermine national sovereignty. Could that be because these taxes AREN'T being used to support the well being of the citizenry? Instead the money is being funnelled out of the country in the name of some global good project.

> The appeal of potential mechanisms for more automatic and assured flows of funds for international cooperation, especially if they can mobilize substantial amounts of resources, has led to multiple proposals on how to establish those mechanisms. While recognizing that these proposals have been long-standing, this Survey **argues that certain forms of international taxation and leveraging of international reserve assets have great potential to significantly enhance resources for international development cooperation,** warranting greater efforts to overcome the obstacles that have prevented tapping such potential in the past.

Here we get to the heart of the matter. The bulk of these "revenue tools" are listed as being for environmental causes. Yet the UN itself admits that the money will be used for other purposes. This is money laundering and fraud.

> In one such proposal, the IMF would issue more international liquidity in the form of special drawing rights. Proposed annual allocations of SDR 150 billion–250 billion would be received mainly by developed countries, as the SDRs are distributed according to country quotas in IMF. However, if instead, two thirds were allocated to developing countries, they would receive $160 billion–$270 billion annually. The "seigniorage" from such issuance, which now accrues to the international reserve currency countries, could be allocated for use in part by the international community in favour of developing

countries. **Admittedly, changing the SDR allocation formula would constitute a significant political undertaking, as it will require an amendment to the IMF Articles of Agreement. Amending the Articles, like decisions for a general SDR allocation under existing rules, requires an 85 per cent approval of member votes, giving the United States of America an effective veto.** Indeed, United States support for regular SDR allocations would imply a measure of global solidarity, as the seigniorage embodied in the new SDRs would be largely at the expense of seigniorage no longer accruing to the United States. Nevertheless, **such a change could result in a significant strengthening of the international monetary system,** which should be supported by all IMF member countries.

Such regular issuance of SDRs has **no direct link to development finance, however. SDRs remain a reserve asset, but their additional availability, arranged through international coordination,** could reduce the need for individual developing countries to set aside foreign-exchange earnings in reserve holdings of their own as a form of self insurance against global market shocks.

So if the developed world were to engage in these UN measures, then developing countries wouldn't need to set aside foreign exchange earnings in reserve. This is because "we" will have done it for them. In short, this is the 1st world economically propping up the 3rd world.

An internationally concerted carbon tax could raise $250 billion per year…

Let's be clear. The Carbon tax has NOTHING to do with environmentalism, and everything to do with being a fundraising tool for the UN's agendas.

If **global policy could be designed as if for a single economy, then a single global tax could be set (and adjusted over time)** to steer overall emissions in the direction of a particular target to be achieved by a particular date. However, the world is made up of many countries which would experience different impacts on overall consumption and production from a single tax. **The differential impact of a uniform carbon tax would cause objections to be raised by Governments and could frustrate agreement on the tax, especially since it is unlikely that those making the smallest sacrifices under a uniform tax would fully compensate those making the largest.** Indeed, the

> 1997 Kyoto Protocol3 to the **1992 United Nations Framework Convention on Climate Change mandates only that higher-income countries make specific targeted reductions,** as those countries are responsible for most of the man-made concentrations of CO2 in the atmosphere and are best able to bear the economic burden. In this vein, **a tax of $25 per ton of CO2 emitted by developed countries is expected to raise $250 billion per year in global tax revenues. Such a tax would be in addition to taxes already imposed at the national level,** as many Governments (of developing as well as developed countries) already tax carbon emissions, in some cases explicitly, and in other cases, indirectly through taxes on specific fuels.

We will have a carbon tax on top of:

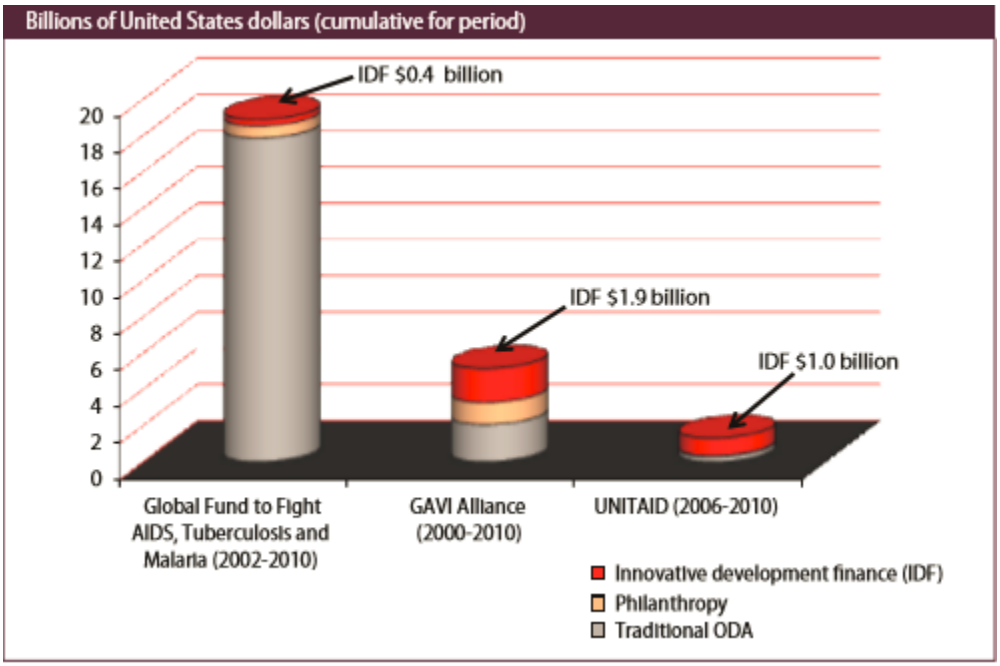
- other federal taxes
- Provincial taxes
- Municipal taxes
- Fuel specific taxes

This is all a scam to gouge the public to finance the UN agendas.

> Estimates of additional financing needs for climate change mitigation and adaptation in developing countries are great—considerably greater even than those for health. **Estimates of additional investment needs in 2030 are in the order of $140 billion–$175 billion per annum (plus additional upfront investments of $265 billion–$565 billion) for mitigation, and a further $30 billion–$100 billion per annum for adaptation**. World Economic and Social Survey 2011 (United Nations, 2011a) estimated additional investment needs of developing countries for sustainable development, including for climate change mitigation and adaptation, and for ensuring access to clean energy for all, sustainable food production and forest resource management, **at about $1 trillion per year in the coming decades**. As recognized, inter alia, by the Copenhagen Accord, from the perspective both of **fair burden-sharing in financing global public goods and of the limited economic means of developing countries, a substantial share of the required financing would need to come from international transfers.**

Okay, by 2030, various UN agendas will be costing about $1 trillion (with a "T") annually. And in order to finance this, lots of financing will be required, mainly from the developed

world.



Health causes will cost a fraction of what environmental costs are expected to be.

Exploitation: Debt for Development

Debt conversion first emerged, in the guise of **debt-for-nature swaps,** during the 1980s debt crisis, following an opinion article by Thomas Lovejoy, then Executive Vice-President of the World Wildlife Fund (WWF), in the New York Times in 1984. Lovejoy argued that a **developing country's external debt could be reduced (also providing tax relief to participating creditor banks) in exchange for the country's taking measures to address environmental challenges.** Estimates based on Sheikh (2010) and Buckley, ed. (2011) suggest that between $1.1 billion and $1.5 billion of debt has been exchanged through debt-for-nature swaps since the mid–1980s, although it is not possible to assess how much of this constitutes IDF, for the reasons discussed in box III.1.

There have been two basic forms of debt-for-nature exchanges (Buckley and Freeland, 2011). In the first, part of a country's external debt is purchased by an environmental non-governmental organization and offered to the debtor for cancellation in exchange for a commitment to protect a particular area of land. Such transactions occurred mainly in the

late 1980s and 1990s and were generally relatively small-scale. An early example was a 1987 deal under which Conservation International, a Washington, D.C.-based environmental non-governmental organization, bought $650,000 of the commercial bank debt of Bolivia (now Plurinational State of Bolivia) in the secondary market for $100,000, and exchanged this for shares in a company established to preserve 3.7 million acres of forest and grassland surrounding the Beni Biosphere Reserve in the north-east part of the country.

In the second form, **debt is exchanged for local currency (often at a discount), which is then used by local conservation groups or government agencies to fund projects in the debtor country.** Swaps of this kind are generally much larger, and have predominated since the 1990s. The largest such swap came in 1991, when a group of bilateral creditors agreed to channel principal and interest payments of $473 million (in local currency) into Poland's Ecofund set up to finance projects designed to counter environmental deterioration. The EcoFund financed 1,500 programmes between 1992 and 2007, providing grants for conservation projects relating to cross-border air pollution, climate change, biological diversity and the clean-up of the Baltic Sea (Buckley and Freeland, 2011).

However, most debt-for-nature swaps have been much smaller, so that the **funds generated are generally limited relative to environmental financing needs, providing funding, instead, for individual projects.** Critics also argue that monitoring mechanisms are often insufficient to ensure that debtor countries fulfil their environmental obligations, and that **swaps may be detrimental to national sovereignty in cases where they result in the transfer of landownership to foreign entities.** In view of the latter concern, conservation organizations involved in three-way swaps (involving the debtor Government, the creditor and a third party) often refrain from buying land directly with funds generated by swaps (Sheikh, 2010)

How is this even legal? Developing nations are "loaned" money they cannot possibly pay back. This is done on the backs of taxpayers in the first world.

When indebted nations cannot pay the loans back, which is usually the case, debt is "forgiven" or "reduced" in return for local currency and resources, and/or access to the land for other environmental projects. These, of course, are also financed on the backs of First

World taxpayers.

Of course, land and other resources could now be effectively controlled by foreign entities, meaning that entire parts of Countries would be owned by foreigners. Not too different from say, Vancouver (which is bought up en masse by China).

Exploitation: Debt for Education

> In addition to the uses described above, **debt swaps have also been successfully implemented for education and development.** Clear delineation among the various types of swaps is often problematic, however, as debt-for-development swaps typically **provide funding for environmental, health and/or education projects.**

> Based on Buckley, ed. (2011), **the cumulative amount of debt-for-development and debt-for-education swaps appears to be in the order of $3 billion, including 18 debt-for-education swaps in 14 countries since 1998, the proceeds of which were in most cases directed to funding for local schools** (Buckley, 2011c). Again, however, the proportion of this total that has provided additional funding—and may therefore be considered to constitute IDF—cannot readily be estimated. In particular, $865 million of the $3 billion total represents Debt Reduction-Development Contracts with the Agence Française de Développement, covering debts arising from past ODA loans from France which would otherwise be eligible for cancellation under multilateral debt reduction programmes such as the HIPC Initiative. **Although nominally debt-conversion operations, these Contracts stipulate that debtor countries are to continue to service these debts in full,** while receiving, however, an equivalent amount of new ODA grants tied to specific programmes when they do so (Agence Française de Développement, n.d.). **Thus, resources are not redirected from debt servicing to other uses; rather, potential fiscal savings from debt-service reduction are forgone, the resources instead being directed to specific uses (Buckley, 2011a). These transactions thus cannot be considered to constitute IDF.**

This is concerning for a few reasons.

First, it seems to hold a nation hostage by making demands in order to fund its health care

or education.

Second, given the sorts of education the UN engages in, would imposing this on other nations actually work to undermine its culture and identity?

Given the document is basically a book, this review hardly does it justice.

The UN seeks to raise huge amounts of money through various "innovative" means. Basically, they are some form of tax, or are funds converted from taxes of individual nations. This has the effect of bankrupting the developed world, as their money is being used to finance globalist agendas.

Furthermore, the "lending" to the developing world can be considered predatory. Money is loaned out to nations which have no realistic chance to pay it back. In order to "service" their debts, nations are forced to cede to foreign ownership, or to allow the UN control over how its territory is used.

This is exploitive for everyone involved. And despite the rallying cries, this has little to do with actually combatting climate change.

A shoutout to Nicky @cravecreative, for catching this disaster.

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(1) https://www.un.org/en/development/desa/policy/wess/wess_current/2012wess.pdf
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CANADA, CLIMATE CHANGE SCAM, GLOBALISM